

HOGAN & HARTSON
L.L.P.

97-167

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June 27, 1997

BY HAND DELIVERY

FCC/MELLO JUN 27 1997

William F. Caton
Acting Secretary
Federal Communications Commission
Common Carrier Land Mobile
P.O. Box 358130
Pittsburgh, PA 15251-5130

**Re: Application on Form 490 for Transfer of Control
of Consolidated Communications Telecom
Services, Inc., Licensee of Paging and
Radiotelephone Service Station KWH311,
from Consolidated Communications Inc.
to McLeodUSA Incorporated**

Dear Mr. Caton:

Enclosed for filing are an original and three microfiche copies of an application on Form 490 for transfer of control of Consolidated Communications Telecom Service, Inc., which holds a license in the Paging and Radiotelephone service, from Consolidated Communications Inc. ("Consolidated") to McLeodUSA Incorporated ("McLeod"). Also enclosed is a check in the amount of \$280 to cover the applicable filing fee.

This application is part of a larger transaction between McLeod and Consolidated, which have entered into an Agreement and Plan of Merger. Pursuant to that Agreement, McLeod has formed a wholly-owned subsidiary, Eastside Acquisition Co. ("Eastside"). Upon receipt of necessary regulatory approvals, Consolidated will merge with and into Eastside with Eastside surviving and being renamed Consolidated Communications Inc. ("New Consolidated"). Thereafter, Consolidated's subsidiaries will continue to operate as wholly-owned

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subsidiaries of McLeod. This transaction will serve the public interest because the combined companies will be better able to provide high-quality telecommunications services at competitive prices.

Because of the number of separate filings involved in this transaction, the parties request a joint Public Notice of all the applications related to the transaction. Susan O'Connell in the International Bureau has agreed to coordinate the Public Notice for the applications.

Please address any questions concerning Consolidated to Veronica Ahern and J. Breck Blalock of Nixon, Hargrave, Devans & Doyle, L.L.P. at (202) 457-5300. Questions regarding McLeod should be addressed to the undersigned.

Respectfully submitted,

HOGAN & HARTSON L.L.P.

By: 
Karis A. Hastings
Eric H. Loeb
Counsel for
McLeodUSA Incorporated

Enclosures

cc: Susan O'Connell, International Bureau
James N. Loughry, Wireless Telecommunications Bureau

OUR REFERENCE NUMBER	YOUR INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT	NET AMOUNT



TOWN CENTRE, SUITE 500
221 THIRD AVE., SE.
CEDAR RAPIDS, IA 52401

FIRSTAR BANK IOWA, N.A.
DES MOINES, IOWA 50309
CEDAR RAPIDS - DOWNTOWN OFFICE
33-54-730

032751

36

DATE	CONTROL NO.	AMOUNT
6/25/97	032751	\$280.00

THE SUM Two Hundred Eighty Dollars and No/100

PAY
TO THE
ORDER OF F C C

VOID AFTER 6 MONTHS
AUTHORIZED REPRESENTATIVE

⑈032751⑈ ⑆073000545⑆ ⑈121372 742⑈ CHIEF FINANCIAL OFFICER

SEC
Security feature
included.
Details on back.

FCC 490

FEDERAL COMMUNICATIONS COMMISSION

Approved by OMB
3080-0319
Expires 10/31/97
Est. Avg. Burden Hours
Per Response: 3 Hrs.

FCC Use Only
(File Number)

Application for Assignment of Authorization or Consent to Transfer of Control of Licensee

Commercial Mobile Radio Services
Rural Radiotelephone Service

FCC Use Only

FILING FEE

(a) Fee Type Code	(b) Fee Multiple	(c) Fee Due for Fee Type Code in (a)	(d) Total Amount Due	FCC Use Only
CMD	1	280.00	\$ 280.00	

ASSIGNOR OR TRANSFEROR

T1. Name of Assignor or Transferor Consolidated Communications Inc.		T2. Voice Telephone Number (217) 235-4456	
T3. Assumed Name Used for Doing Business (if any)		T4. Fax Telephone Number (217) 234-9934	
T5. Mailing Street Address or P.O. Box 121 South 17th Street			
T6. City Mattoon		T7. State IL	T8. Zip Code 61938
T9. Name of Contact Representative (if other than Assignor or Transferor) Peter A. Rohrbach		T10. Voice Telephone Number (202) 637-8631	
T11. Firm or Company Name Hogan & Hartson L.L.P.		T12. Fax Telephone Number (202) 637-5910	
T13. Mailing Street Address or P.O. Box 555 Thirteenth Street, N.W.			
T14. City Washington		T15. State DC	T16. Zip Code 20004

TYPE OF TRANSACTION

T17. This application requests (T)	Assignment of authorization	Consent to Transfer of Control of Licensee
T18. How will assignment or transfer of control be accomplished? (S)	Sale or other transfer or assignment of stock	Other
T19. This assignment of authorization or transfer of control of licensee is (V)	Voluntary	Involuntary
T20. Will this be a <u>pro forma</u> assignment or transfer of control? (N)	Yes	No
T21. Is local or state authorization required for this assignment or transfer of control? (Y)	Yes	No

AUTHORIZATION(S) TO BE ASSIGNED OR TRANSFERRED

[illegible]

ASSIGNMENT OF STOCK

Stock	Number of Shares	Classification
Shares to be transferred	T27. See Exhibit 1	T28.
Shares issued and outstanding	T29.	T30.
Shares authorized	T31.	T32.

ASSIGNEE OR TRANSFEREE

T33. Name of Assignee or Transferee McLeodUSA Incorporated		T34. Voice Telephone Number (319) 364-0000	
T35. Assumed Name Used for Doing Business (if any)		T36. Fax Telephone Number (319) 398-7070	
T37. Mailing Street Address or P.O. Box McLeodUSA Technology Park, 6400 C Street, S.W., P.O. Box 3177			
T38. City Cedar Rapids		T39. State IA	T40. Zip Code 52406-3177

NEW LICENSEE INFORMATION

T41. Legal Name of Licensee Consolidated Communications Telecom Services Inc.		T42. Voice Telephone Number (217) 235-4456	
T43. Assumed Name Used for Doing Business (if any)		T44. Fax Telephone Number (217) 234-9934	
T45. Mailing Street Address or P.O. Box 121 South 17th Street			
T46. City Mattoon		T47. State IL	T48. Zip Code 61938

ALIEN OWNERSHIP

T49. Is the assignee or transferee a foreign government or the representative of any foreign government?	(N)	Yes	No
T50. Is the assignee or transferee an alien or the representative of an alien?	(N)	Yes	No
T51. Is the assignee or transferee a corporation organized under the laws of any foreign government?	(N)	Yes	No
T52. Is the assignee or transferee a corporation of which any officer or director is an alien or of which more than one-fifth of the capital stock is owned of record or voted by aliens or their representatives or by a foreign government or representative thereof or by any corporation organized under the laws of a foreign country?	(N)	Yes	No
T53. Is the assignee or transferee a corporation directly or indirectly controlled by any other corporation of which any officer or more than one-fourth of the directors are aliens, or of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country? • If "yes", attach exhibit explaining nature and extent of alien or foreign ownership or control.	(N)	Yes	No

BASIC QUALIFICATIONS

T54. Has the assignor or transferor, assignee or transferee, or any party to this application had any FCC station authorization, license or construction permit revoked or had any application for an initial, modification or renewal of FCC station authorization, license, construction permit denied by the Commission?	(N)	Yes	No
T55. Has the assignor or transferor, assignee or transferee, or any party to this application, or any party directly or indirectly controlling the assignor or transferor, assignee or transferee, or any party to this application ever been convicted of a felony by any state or federal court?	(N)	Yes	No
T56. Has any court finally adjudged the assignor or transferor, assignee or transferee, or any party to this application, or any person directly or indirectly controlling the assignor or transferor, assignee or transferee, or any party to this application, guilty of unlawfully monopolizing or attempting unlawfully to monopolize radio communication, directly or indirectly, through control of manufacture or sale of radio apparatus, exclusive traffic arrangement or any other means or unfair methods of competition?	(N)	Yes	No
T57. Is the assignor or transferor, assignee or transferee, or any party to this application, or any person directly or indirectly controlling the assignor or transferor, assignee or transferee, or any party to this application, currently a party in any pending matter referred to in the preceding two items?	(N)	Yes	No
T58. Do the undersigned each certify (by responding "Y" to this question) that neither the assignor or transferor nor the assignee or transferee is subject to a denial of Federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862, because of a conviction for possession or distribution of a controlled substance? • See 47 CFR 1.2002(b) for the meaning of "party to the application" for these purposes.	(Y)	Yes	No

ASSIGNOR OR TRANSFEROR CERTIFICATION

The ASSIGNOR or TRANSFEROR represents that the authorization will not be assigned or that control of the licensee will not be transferred unless and until the consent of the Federal Communications Commission has been given; that all exhibits attached or referenced herein are a material part hereof and are incorporated herein as if set out in full in this application; and that all statements made in this application are true, complete and correct to the best of his or her knowledge and belief.	
T59. Typed Name of Person Signing J. Lyle Patrick	T60. Title Chief Financial Officer
T61. Signature 	T62. Date 6/24/97

ASSIGNEE OR TRANSFeree CERTIFICATION

The ASSIGNEE or TRANSFeree waives any claim to the use of any particular frequency or of the electromagnetic spectrum as against the regulatory power of the United States because of the previous use of the same, whether by license or otherwise. The assignee or transferee certifies that grant of this assignment or transfer of control would not cause the assignee or transferee to be in violation of the spectrum aggregation limit in 47 CFR Part 20. The assignee or transferee agrees to assume all obligations and abide by all conditions imposed upon the assignor or transferor under the subject authorization(s), unless the Federal Communications Commission pursuant to a request made herein otherwise allows, except for liability for any act done by, or any right accrued by, or any suit or proceeding had or commenced against, the assignor or transferor prior to this assignment or transfer of control. The undersigned, individually and for the assignee or transferee, hereby certifies that the statements made herein are true, complete and correct to the best of his or her knowledge and belief, and are made in good faith.					
T63. The assignee or transferee is a (an)	(C)	Individual	Unincorporated Association	Partnership	Corporation
T64. Typed Name of Person Signing Casey D. Mahon	T65. Title Senior Vice President				
T66. Signature 	T67. Date 6-24-97				
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. Code, Title 18, Section 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).					

EXHIBIT 1
(Questions T27-T32)

Description of Transaction

McLeodUSA Incorporated ("McLeod") and Consolidated Communications Inc. ("Consolidated") have determined that they will realize significant economic and marketing efficiencies through a transaction by which Consolidated will become a wholly-owned subsidiary of McLeod. Accordingly, on June 14, 1997, McLeod and Consolidated executed an Agreement and Plan of Merger ("Agreement"). Pursuant to the Agreement, McLeod has formed Eastside Acquisition Co. ("Eastside"), a wholly-owned Delaware corporation, for the purpose of consummating the proposed reorganization. Consolidated will merge with and into Eastside, with Eastside surviving. Eastside will then be renamed Consolidated Communications Inc. ("New Consolidated"). All subsidiaries of Consolidated will remain subsidiaries of New Consolidated. At the effective time of the merger, \$155 million in cash and approximately 8.5 million shares of McLeod Class A Common Stock (\$0.01 par value) will be distributed to the owners of Consolidated Common and Preferred Stock. Specifically, each share of Consolidated Series A Preferred Stock will be exchanged for approximately 4.5 shares of McLeod Class A Common Stock and each share of Consolidated Series B Preferred Stock will be exchanged for approximately 4.5 shares of McLeod Class A Common Stock. Consolidated Common Stock will be exchanged for a mix of cash and McLeod Class A Common

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Stock, which exact mix will be elected by each shareholder of Consolidated Common
Stock.

EXHIBIT 2

Parties to Application

McLeodUSA Incorporated ("McLeod") currently holds a greater than five percent direct or indirect interest in the following entities:

Company	Business
McLeodUSA Telecommunications Services, Inc.	Telecommunications
McLeodUSA Media Group, Inc.	Intermediate Holding Company
McLeodUSA Diversified, Inc.	Intermediate Holding Company
McLeodUSA Network Services, Inc.	Fiber Optic Network Construction
McLeodUSA Publishing Co.	Directory Publishing
McLeodUSA Maintenance Services, Inc.	Maintenance of Fiber Optic Facilities
Digital Communications of Iowa, Inc.	Sales and Installation of Telephone Equipment
ESI/McLeodUSA, Inc.	Sales and Installation of Telephone Equipment
MWR Towers, Inc.	Tower and Real Estate Leasing
Ruffalo, Cody & Associates, Inc.	Marketing and Fundraising
Campus Call, Inc.	Telemarketing Fundraising for Colleges
CalTel Directory, Inc.	Directory Publishing

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The current five percent of greater shareholders of McLeod are as follows:

<u>Name and Address</u>	<u>Percentage Ownership</u>	<u>Citizenship</u>
IES Investments, Inc. 200 1st Street, S.E. Cedar Rapids, Iowa 52401	17.1	U.S. Corporation
Clark E. McLeod Mary McLeod McLeodUSA Incorporated McLeodUSA Technology Park 6400 C Street, S.W. P.O. Box 3177 Cedar Rapids, Iowa 52406-3177	9.0 8.2	U.S.
MWR Investments Inc. 500 E. Court Ave. Des Moines, Iowa 50309	15.7	U.S. Corporation
Putnam Investment Management, Inc. One Post Office Square Boston, MA 02109	7.5	U.S. Corporation
Allsop Venture Partners III, L.P. 2750 1st Ave. Cedar Rapids, Iowa 52402	7.4	U.S. Limited Partnership

Consolidated Communications Inc. ("Consolidated") currently holds a greater than five percent direct or indirect interest in the following entities:

<u>Company</u>	<u>Business</u>
Illinois Consolidated Telephone Company	Telecommunications
Consolidated Communications Telecom Services Inc.	Telecommunications
Consolidated Communications Directories Inc.	Directory & Electronic Publishing
Consolidated Market Response Inc.	Marketing & Database Services
Consolidated Communications Operator Services Inc.	Operator Services
Consolidated Communications Public Services Inc.	Telecommunications
Consolidated Communications Systems & Services Inc.	Information Technology
Greene County Partners, Inc.	Cable TV

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CCD/Scripps, L.L.C.	Directory Publishing
Coles Park, L.L.C.	Office Park Owner
SRG, Inc.	Software Design
Midwest Cellular Associates	Telecommunications
Illinois SMSA Limited Partnership	Telecommunications
Mattoon Enterprise Park, L.L.C.	Office Park Owner
National Telecommunications Network	Telecommunications
Effingham Hi-Tech General Partnership	Office Park Owner
International Teldata Corporation	Electronic Meter Reading

A list of the shareholders of Consolidated is attached. All trustees and beneficiaries are U.S. citizens.

List of Shareholders

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<u>Name and Address</u>	<u>Common</u>	<u>Series A \$100, 8.20% Preferred</u>	<u>Series B \$100, 8.50% Preferred</u>
Margaret Lumpkin Keon, Mary Lee Sparks, and Richard Anthony Lumpkin, not individually but as Trustees under Voting Trust Agreement dated November 30, 1994			
Margaret Lumpkin Keon, Trustee of the Margaret Lumpkin Keon Trust dated May 13, 1978 Keon Associates 16 Miller Avenue - #203 Mill Valley, California 94941	53,340		
Richard Anthony Lumpkin as Trustee Under Trust Agreement dated May 13, 1978 f/b/o Richard Anthony Lumpkin Mattoon, Illinois 61938	27,839		
Richard Anthony Lumpkin and Christina Louise Sparks as Trustees Under Trust Agreement dated May 13, 1978 f/b/o Mary Lee Sparks Mattoon, Illinois 61938	57,840		
Richard Anthony Lumpkin and Harris Trust and Savings Bank as Trustees u/a/d Feb. 6, 1970 c/o Harris Trust and Savings Bank 111 West Monroe Street Chicago, Illinois 60690	421,874		
Richard Anthony Lumpkin and Harris Trust and Savings Bank as Trustees u/a/d Feb. 6, 1970 as supplemented by Supplemental Agreement dated November 5, 1976 c/o Harris Trust and Savings Bank 111 West Monroe Street Chicago, Illinois 60690	28,126		
Total	589,019	-	-

<u>Name and Address</u>	<u>Common</u>	<u>Series A \$100, 8.20% Preferred</u>	<u>Series B \$100, 8.50% Preferred</u>
The Lumpkin Foundation Mattoon, Illinois	45,000	-	-
Richard Adamson Lumpkin Grandchildren's Trust dated 9/5/80 Mattoon, Illinois 61938 (Trustee: Richard Anthony Lumpkin)	48,838	-	-
Margaret Lumpkin Keon, Trustee of the Margaret Lumpkin Keon Trust dated May 13, 1978 Keon Associates 16 Miller Avenue - #203 Mill Valley, California 94941	-	3,960	43,763
Margaret L. Keon 1993 Grantor Retained Annuity Trust Mattoon, Illinois 61938 (Trustees: Pamela Keon Vitale and Joseph John Keon III)	-	-	21,763
Margaret L. Keon 1990 Dynasty Trust Mattoon, Illinois 61938 (Trustee: Margaret L. Keon)	21,681	-	-
Richard Anthony Lumpkin, not individually, but as trustee of the trust named for Joseph John Keon III created under the Mary Green Lumpkin Gallo Trust Agreement dated December 29, 1989 Mattoon, Illinois 61938	35,000	-	-
Richard Anthony Lumpkin, not individually, but as trustee of the trust named for Katherine Stoddert Keon created under the Mary Green Lumpkin Gallo Trust Agreement dated December 29, 1989 Mattoon, Illinois 61938	35,000	-	-
Richard Anthony Lumpkin, not individually, but as trustee of the trust named for Lisa Anne Keon created under the Mary Green Lumpkin Gallo Trust Agreement dated December 29, 1989 Mattoon, Illinois 61938	35,000	-	-

<u>Name and Address</u>	<u>Common</u>	<u>Series A \$100, 8.20% Preferred</u>	<u>Series B \$100, 8.50% Preferred</u>
Richard Anthony Lumpkin, not individually, but as trustee of the trust named for Margaret Lynley Keon created under the Mary Green Lumpkin Gallo Trust Agreement dated December 29, 1989 Mattoon, Illinois 61938	35,000	-	-
Richard Anthony Lumpkin, not individually, but as trustee of the trust named for Pamela Keon Vitale created under the Mary Green Lumpkin Gallo Trust Agreement dated December 29, 1989 Mattoon, Illinois 61938	35,000	-	-
Richard Anthony Lumpkin, not individually, but as trustee of the trust named for Susan Tamara Keon DeWyngaert created under the Mary Green Lumpkin Gallo Trust Agreement dated December 29, 1989 Mattoon, Illinois 61938	35,000	-	-
Margaret L. Keon 1990 Personal Income Trust for the Benefit of Joseph John Keon III dated April 20, 1990 Mattoon, Illinois 61938 (Trustees: David R. Hodgman and R. J. Currey)	10,000	-	-
Margaret L. Keon 1990 Personal Income Trust for the Benefit of Katherine Stoddert Keon dated April 20, 1990 Mattoon, Illinois 61938 (Trustees: David R. Hodgman and R. J. Currey)	10,000	-	-
Margaret L. Keon 1990 Personal Income Trust for the Benefit of Lisa Anne Keon dated April 20, 1990 Mattoon, Illinois 61938 (Trustees: David R. Hodgman and R. J. Currey)	10,000	-	-
Margaret L. Keon 1990 Personal Income Trust for the Benefit of Margaret Lynley Keon dated April 20, 1990 Mattoon, Illinois 61938 (Trustees: David R. Hodgman and R. J. Currey)	10,000	-	-

<u>Name and Address</u>	<u>Common</u>	<u>Series A \$100, 8.20% Preferred</u>	<u>Series B \$100, 8.50% Preferred</u>
Margaret L. Keon 1990 Personal Income Trust for the Benefit of Pamela Keon Vitale dated April 20, 1990 Mattoon, Illinois 61938 (Trustees: David R. Hodgman and R. J. Currey)	10,000	-	-
Margaret L. Keon 1990 Personal Income Trust for the Benefit of Susan Tamara Keon DeWyngaert dated April 20, 1990 Mattoon, Illinois 61938 (Trustees: David R. Hodgman and R. J. Currey)	10,000	-	-
Richard Anthony Lumpkin as Trustee under Trust Agreement dated May 13, 1978 f/b/o Richard Anthony Lumpkin Mattoon, Illinois 61938	-	3,960	43,827
Richard Anthony Lumpkin 1993 Grantor Retained Annuity Trust Mattoon, Illinois 61938 (Trustees: Richard's two children)	-	-	21,833
Richard Anthony Lumpkin 1990 Dynasty Trust Mattoon, Illinois 61938 (Trustee: Richard Anthony Lumpkin)	21,680	-	-
Richard Anthony Lumpkin, not individually, but as trustee of the trust named for Benjamin Iverson Lumpkin created under the Mary Green Lumpkin Gallo Trust Agreement dated December 29, 1989 Mattoon, Illinois 61938	55,000	-	-
Richard Anthony Lumpkin, not individually, but as trustee of the trust named for Elizabeth Arabella Lumpkin created under the Mary Green Lumpkin Gallo Trust Agreement dated December 29, 1989 Mattoon, Illinois 61938	55,000	-	-
Richard Anthony Lumpkin 1990 Personal Income Trust for the Benefit of Benjamin Iverson Lumpkin dated April 20, 1990 Mattoon, Illinois 61938 (Trustees: David R. Hodgman and R. J. Currey)	95,000	-	-

<u>Name and Address</u>	<u>Common</u>	<u>Series A \$100, 8.20% Preferred</u>	<u>Series B \$100, 8.50% Preferred</u>
Richard Anthony Lumpkin 1990 Personal Income Trust for the Benefit of Elizabeth Arabella Lumpkin dated April 20, 1990 Mattoon, Illinois 61938 (Trustees: David R. Hodgman and R. J. Currey)	95,000	-	-
Mary Lee Sparks 2438 Campbell Road, N. W. Albuquerque, New Mexico 87104	-	3,960	40,606
Mary Lee Sparks 1993 Grantor Retained Annuity Trust Mattoon, Illinois 61938 (Trustees: Mary Lee's four children)	1,250	-	18,019
Mary Lee Sparks 1990 Dynasty Trust Mattoon, Illinois 61938 (Trustee: Richard Anthony Lumpkin)	21,681	-	-
Richard Anthony Lumpkin, not individually, but as trustee of the trust named for Anne Romaine Sparks created under the Mary Green Lumpkin Gallo Trust Agreement dated December 29, 1989 Mattoon, Illinois 61938	40,000	-	-
Richard Anthony Lumpkin, not individually, but as trustee of the trust named for Barbara Lee Sparks created under the Mary Green Lumpkin Gallo Trust Agreement dated December 29, 1989 Mattoon, Illinois 61938	40,000	-	-
Richard Anthony Lumpkin, not individually, but as trustee of the trust named for Christina Louise Sparks created under the Mary Green Lumpkin Gallo Trust Agreement dated December 29, 1989 Mattoon, Illinois 61938	40,000	-	-
Richard Anthony Lumpkin, not individually, but as trustee of the trust named for John Woodruff Sparks created under the Mary Green Lumpkin Gallo Trust Agreement dated December 29, 1989 Mattoon, Illinois 61938	40,000	-	-

<u>Name and Address</u>	<u>Common</u>	<u>Series A \$100, 8.20% Preferred</u>	<u>Series B \$100, 8.50% Preferred</u>
Mary Lee Sparks 1990 Personal Income Trust for the Benefit of Anne Romayne Sparks dated April 20, 1990 Mattoon, Illinois 61938 (Trustees: David R. Hodgman and R. J. Currey)	20,000	-	-
Mary Lee Sparks 1990 Personal Income Trust for the Benefit of Barbara Lee Sparks dated April 20, 1990 Mattoon, Illinois 61938 (Trustees: David R. Hodgman and R. J. Currey)	20,000	-	-
Mary Lee Sparks 1990 Personal Income Trust for the Benefit of Christina Louise Sparks dated April 20, 1990 Mattoon, Illinois 61938 (Trustees: David R. Hodgman and R. J. Currey)	20,000	-	-
Mary Lee Sparks 1990 Personal Income Trust for the Benefit of John Woodruff Sparks dated April 20, 1990 Mattoon, Illinois 61938 (Trustees: David R. Hodgman and R. J. Currey)	20,000	-	-
Total	<u>1,559,149</u>	<u>11,880</u>	<u>189,811</u>

LICENSEE QUALIFICATION REPORT

INSTRUCTIONS:

- A. The "Filer" of this report is defined to include: (1) An applicant, where this report is submitted in connection with applications for common carrier and satellite radio authority as required for such applications; or (2) A licensee or permittee, where this report is required by the Commission's Rules to be submitted on an annual basis.
- B. Submit an original and one copy (sign original only) to the Federal Communications Commission, Washington, DC 20554. If more than one radio service is listed in Item 6, submit an additional copy for each such additional service. If this report is being submitted in connection with an application for radio authority, attach it to that application.
- C. Do not submit a fee with this report.

1. Business Name and Address (Number, Street, State and ZIP Code) of Filer's Principal Office McLeodUSA Incorporated McLeodUSA Technology Park 6400 C Street, SW, P.O. Box 3177 Cedar Rapids, Iowa 52406-3177	2. (Area Code) Telephone Number (319) 364-0000 3. If this report supersedes a previously filed report, specify its date N/A
4. Filer is (check one): <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Other (Specify):	5. Under the laws of what State (or other jurisdiction) is the Filer organized? Delaware
6. List the common carrier and satellite radio services in which Filer has applied or is a current licensee or permittee: Point-to-Point Microwave Radio Service; Rural Radiotelephone Service Broadband Personal Communications Service; Paging and Radiotelephone Service	

7 (a) Has the Filer or any party to this application had any FCC station license or permit revoked or had any application for permit, license or renewal denied by this Commission? If "YES", attach as Exhibit I a statement giving call sign and file number of license or permit revoked and relating circumstances. ☐ YES ☒ NO

(b) Has any court finally adjudged the Filer, or any person directly or indirectly controlling the Filer, guilty of unlawfully monopolizing or attempting unlawfully to monopolize radio communication, directly or indirectly, through control of manufacture or sale of radio apparatus, exclusive traffic arrangement, or other means of unfair methods of competition? If "YES", attach as Exhibit II a statement relating the facts. ☐ YES ☒ NO

(c) Has the Filer, or any party to this application, or any person directly or indirectly controlling the Filer ever been convicted of a felony by any state or Federal court? If "YES", attach as Exhibit III a statement relating the facts. ☐ YES ☒ NO

(d) Is the Filer, or any person directly or indirectly controlling the Filer, presently a party in any matter referred to in Items 7(b) and 7(c)? If "YES", attach as Exhibit IV a statement relating the facts. ☐ YES ☒ NO

8. Is the Filer, directly or indirectly, through stock ownership, contract or otherwise, currently interested in the ownership or control of any other radio stations licensed by the Commission? If "YES", submit as Exhibit V the name of each such licensee and the licensee's relation to the Filer. ☒ YES ☐ NO
See Exhibit V

If Filer is an individual (sole proprietorship) or partnership, answer the following and Item 11:

9 (a) Full Legal Name and Residential Address (Number, Street, State and ZIP Code) of Individual or Partners: N/A	(b) Is Individual or each member of a partnership a citizen of the United States? N/A <input type="checkbox"/> YES <input type="checkbox"/> NO
	(c) Is Individual or any member of a partnership a representative of an alien or of a foreign government? N/A <input type="checkbox"/> YES <input type="checkbox"/> NO

If Filer is a corporation, answer the following and Item 11:

- 10 (a) Attach as Exhibit VI the names, addresses, and citizenship of those stockholders owning of record and/or voting 10 percent or more of the Filer's voting stock and the percentages so held. In the case of fiduciary control, indicate the beneficiary(ies) or class of beneficiaries.

See Exhibit VI

- (b) List below, or attach as Exhibit VII the names and addresses of the officers and directors of the Filer.

See Exhibit VII

- (c) Is the Filer directly or indirectly controlled by any other corporation?

☐ YES ☒ NO

If "YES", attach as Exhibit VIII a statement (including organizational diagrams where appropriate) which fully and completely identifies the nature and extent of control. Include the following: (1) the address and primary business of the controlling corporation and any intermediate subsidiaries; (2) the names, addresses, and citizenship of those stockholders holding 10 percent or more of the controlling corporation's voting stock; (3) the approximate percentage of total voting stock held by each such stockholder; and (4) the names and addresses of the president and directors of the controlling corporation.

- (d) Is any officer or director of the Filer an alien?

☐ YES ☒ NO

- (e) Is more than one-fifth of the capital stock of the Filer owned of record or voted by aliens or their representatives, or by a foreign government or representative(s) thereof, or by a corporation organized under the laws of a foreign country?

☐ YES ☒ NO

- (f) Is the Filer directly or indirectly controlled: (1) by any other corporation of which any officer or more than one-fourth of the directors are aliens, or (2) by any foreign corporation or corporation of which more than one-fourth of the capital stock is owned or voted by aliens or their representatives, or by a foreign government or representatives thereof.

☐ YES ☒ NO

- (g) If any answer to questions (d), (e) or (f) is "YES", attach as Exhibit IX a statement identifying the aliens or foreign entities, their nationality, their relationship to the Filer, and the percentage of stock they own or vote.

11. CERTIFICATION

This report constitutes a material part of any application which cross-references it, and all statements made in the attached exhibits are a material part thereof. The ownership information contained in this report does not constitute an application for, or Commission approval of any transfer of control or assignment of radio facilities. The undersigned, individually and for the Filer, hereby certifies that the statements made herein are true, complete and correct to the best of the Filer's knowledge and belief, and are made in good faith. The undersigned, individually and for the Filer, certifies that neither the applicant nor any other party to the application is subject to a denial of Federal benefits that includes FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. Section 862, because of a conviction for possession or distribution of a controlled substance.

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. CODE TITLE 18, SECTION 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. CODE, TITLE 47 SECTION 312(A)(1)), AND/OR FORFEITURE (U.S. CODE, TITLE 47, SECTION 503).

Filer (must correspond with that shown in Item 1)

Typed or Printed Name

McLeodUSA Incorporated

Casey D. Mahon

Signature

Title

Date

Senior Vice President

6/24/97

NOTICE TO INDIVIDUALS REQUIRED BY THE PRIVACY ACT OF 1974 AND THE PAPERWORK REDUCTION ACT OF 1995

The solicitation of personal information requested in this form is to determine if you are qualified to become or remain a licensee in common carrier or satellite radio service pursuant to the Communications Act of 1934, as amended. No authorization can be granted unless a information requested is provided. Your response is required to obtain the requested authorization or retain an authorization.

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate, or any other aspect of this collection of information, including suggestions for reducing the burden to Federal Communications Commission, Records Management Branch, Washington, DC 20554, Paperwork Reduction Project (3060-0105), or via the internet to dconway@fcc.gov. DO NOT SEND COMPLETED FORMS TO THIS ADDRESS. Individuals are not required to respond to a collection of information unless it displays a currently valid OMB control number.

EXHIBIT V
(Question 8)

McLeodUSA Incorporated ("McLeod") currently is the licensee of 25 "D" and "E" block Broadband Personal Communications Services licenses in Illinois, Iowa, Minnesota, Nebraska and South Dakota.

By means of applications that are being filed simultaneously with this Form 430, McLeod seeks Commission consent to control, directly or indirectly, Consolidated Communications Inc. ("CCI") and the following subsidiaries of CCI that hold FCC licenses: Illinois Consolidated Telephone Company, Consolidated Communications Mobile Services, Consolidated Communications Telecom Services, and Midwest Cellular Associates Limited Partnership. As a result of this transaction, CCI and its subsidiaries would become wholly-owned subsidiaries of McLeod. The above-mentioned CCI subsidiaries hold FCC licenses in the Point-to-Point Microwave Radio Services, Broadband Personal Communications Services, Rural Radio Services, and Paging and Radiotelephone Services.

EXHIBITS VI, VII
(Questions 10(a), 10(b))

Ownership

The current five percent or greater shareholders of McLeodUSA

Incorporated ("McLeod") are as follows:

<u>Name and Address</u>	<u>Percentage Ownership</u>	<u>Citizenship</u>
IES Investments, Inc. 200 1st Street, S.E. Cedar Rapids, Iowa 52401	17.1	U.S. Corporation
Clark E. McLeod Mary McLeod McLeodUSA Incorporated McLeodUSA Technology Park 6400 C Street, S.W. P.O. Box 3177 Cedar Rapids, Iowa 52406-3177	9.0 8.2	U.S.
MWR Investments Inc. 500 E. Court Ave. Des Moines, Iowa 50309	15.7	U.S. Corporation
Putnam Investment Management, Inc. One Post Office Square Boston, MA 02109	7.5	U.S. Corporation
Allsop Venture Partners III, L.P. 2750 1st Ave. Cedar Rapids, Iowa 52402	7.4	U.S. Limited Partnership

As part of the transaction referenced above in Exhibit V, new shares of McLeod stock will be issued to existing holders of CCI common stock. As a result, the interests of the above McLeod shareholders will be diluted when the merger is consummated. McLeod does not currently anticipate that the issuance of McLeod stock to CCI shareholders will result in any new ten percent or greater shareholders of McLeod.

Officers and Directors

The address for the following proposed Officers and Directors of the filer will be c/o McLeodUSA Incorporated, McLeodUSA Technology Park, 6400 C Street, S.W., P.O. Box 3177, Cedar Rapids, Iowa 52406-3177. The proposed Officers and Directors of McLeod subsequent to the transaction described are as follows:

<u>Name</u>	<u>Title</u>	<u>Director</u>
Clark E. McLeod	Chairman, Chief Executive Officer	Yes
Richard A. Lumpkin	Vice Chairman	Yes
Stephen C. Gray	President, Chief Operating Officer	Yes
Blake O. Fisher, Jr.	Chief Financial Officer, Executive Vice President, Treasurer	Yes
Robert J. Currey	Executive Vice President	Yes
Kirk E. Kaalberg	Executive Vice President	--
Stephen K. Brandenburg	Executive Vice President	--
David M. Boatner	Executive Vice President	--
Albert P. Ruffalo	Executive Vice President	--
Arthur L. Christoffersen	Executive Vice President	--
Casey D. Mahon	Senior Vice President, General Counsel and Secretary	--
Russell E. Christiansen	--	Yes
Thomas M. Collins	--	Yes
Paul D. Rhines	--	Yes
Lee Liu	--	Yes